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7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 (SAN FRANCISCO DIVISION)

11 VALENT U.S.A. CORPORATION and
SUMITOMO CHEMICAL CO., LTD.,

12 Plaintiffs,

13 v.

14 SYNGENTA CROP PROTECTION, INC.,

15 Defendant.
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CASE NO. 08-cv-0720 VRW

**SYNGENTA'S RESPONSE TO
PLAINTIFFS' MOTION FOR
EXPEDITED DISCOVERY**

Hearing Date: June 26, 2008
Hearing Time: 2:30 pm
Courtroom 6, 17th floor

1 I. INTRODUCTION

2 In their motion for expedited discovery, Plaintiffs have failed to demonstrate good cause for
3 the broad discovery they seek. Plaintiffs' alleged need for expedited discovery—the need to enter
4 the marketplace sooner—cannot outweigh the significant harm to Syngenta if ordered to produce
5 documents prior to a finding that Syngenta is properly before this Court. While it might have been
6 reasonable for Plaintiffs to request documents necessary for responding to Syngenta's pending
7 motion to dismiss, Plaintiffs have gone well beyond that by requesting essentially all documents
8 related to the validity of the '469 patent. Plaintiffs have cited no case granting such broad discovery
9 while a motion to dismiss has been pending and this case should be no different.

10 II. STATEMENT OF FACTS

11 Plaintiffs brought this declaratory judgment action seeking a determination that the claims of
12 Syngenta's U.S. Patent No. 7,105,469 ("the '469 patent"), which relate to a method of controlling
13 pests in transgenic crops by applying the chemical clothianidin, are invalid and not infringed. (D.I.
14 1.) Plaintiffs allege that they plan to sell clothianidin in the United States for use on transgenic crops
15 starting in December 2008, but that efforts to negotiate a license from Syngenta under the '469
16 patent have failed. Because Plaintiffs' complaint presents a purely speculative alleged controversy
17 that fails to meet the immediacy and reality requirements necessary for declaratory judgment
18 jurisdiction, Syngenta filed a motion to dismiss for lack of subject matter jurisdiction in lieu of filing
19 an answer.

20 Before even filing their opposition to Syngenta's motion to dismiss, Plaintiffs requested
21 leave to file a "short motion requesting leave to promptly commence limited discovery." (D.I. 67 at
22 1.) The Court allowed Plaintiffs to file the instant motion. (D.I. 69). But rather than limiting their
23 request for documents related to the pending motion to dismiss, Plaintiffs now seek wide-ranging
24 discovery allegedly relevant to the underlying merits of the case.

25 III. ARGUMENT

26 A. Legal Standards Governing Motions for Expedited Discovery

27 In *Semitoool, Inc. v. Tokyo Electron America, Inc.*, 208 F.R.D. 273, 276 (N.D. Cal. 2002), this
28 Court adopted "the conventional standard of good cause in evaluating [a] request for expedited

1 discovery. Good cause may be found where the need for expedited discovery, in consideration of
 2 the administration of justice, outweighs the prejudice to the responding party.” While some courts
 3 have found good cause for expedited discovery when a motion to dismiss is pending, the requested
 4 discovery is usually limited only to the discovery necessary for responding to the motion. *See, e.g.,*
 5 *Invitrogen Corp. v. President & Fellows of Harvard Coll.*, No. 07-cv-0878-JLS (POR), 2007 WL
 6 2915058, at **3-4, 2007 U.S. Dist. LEXIS 74282, at **7-10 (S.D. Cal. Oct. 4, 2007) (allowing
 7 expedited discovery only on the issues of personal jurisdiction and venue).

8 Plaintiffs cite *Invitrogen* for the proposition that a request for expedited discovery can be
 9 granted despite a pending motion to dismiss. (D.I. 71 at 6.) But as explained above, the requested
 10 discovery should only be granted when it is ***directly related to the pending motion*** and thus
 11 necessary to formulate a response. *Invitrogen*, 2007 WL 2915058, at *4, 2007 U.S. Dist. LEXIS
 12 74282, at **9-10. Applying the good cause standard, the court in *Invitrogen* granted the motion for
 13 expedited discovery because the plaintiff’s need for early discovery in order to make a prima facie
 14 case for personal jurisdiction and proper venue outweighed the inconvenience to the defendant. *Id.*,
 15 2007 WL 2915058, at *4, 2007 U.S. Dist. LEXIS 74282, at **7-10. The court, however, limited
 16 discovery to the issues of personal jurisdiction and venue “to protect [the d]efendant from the undue
 17 burden of producing responses to [the p]laintiff’s overly broad discovery requests.” *Id.*, 2007 WL
 18 2915058, at *4, 2007 U.S. Dist. LEXIS 74282, at *9.

19 **B. Plaintiffs Do Not Need Discovery to Respond to the Motion to Dismiss and Do**
 20 **Not Appropriately Limit Their Discovery Requests**

21 Here, the only requested discovery Plaintiffs can claim is even remotely relevant to the
 22 motion to dismiss is a copy of the agreement between Syngenta and Bayer referenced in Syngenta’s
 23 motion giving Bayer a co-exclusive license to the ’469 patent. But Plaintiffs have not demonstrated
 24 any need for it in connection with their response to the motion to dismiss. Indeed, Plaintiffs have not
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1 asserted that access to the agreement was necessary to formulate their response to the motion to
2 dismiss, and in fact, have fully responded to the motion without it. (*See* D.I. 72.)¹

3 The remaining discovery Plaintiffs seek on an expedited basis relates to the underlying merits
4 of the case, not the pending motion to dismiss. Specifically, Plaintiffs have requested that Syngenta
5 produce all: “(i) documents related to the development of the inventions claimed in the ’469 patent
6 (e.g., lab notebooks, documents related to the ‘synergistic effect’ described in the specification,
7 etc.)”; and “(ii) documents related to Syngenta’s use of clothianidin on genetically engineered and
8 non-genetically engineered plants or their seeds, including data on all working examples described in
9 the ’469 patent.” (*Id.* at 7.) Plaintiffs themselves acknowledge that this discovery is only potentially
10 relevant to issues such as obviousness and inventorship of the patent, not whether this Court has
11 jurisdiction under the Declaratory Judgment Act. (*See id.* at 7-8.) Because Plaintiffs have not
12 shown that any of the requested discovery is necessary for responding to the motion to dismiss, the
13 motion for expedited discovery should be denied.

14 **C. Plaintiffs’ Alleged Need Does Not Outweigh Severe Prejudice to Syngenta**

15 **1. Harm to Syngenta**

16 The wide-ranging discovery Plaintiffs seek on the underlying merits of this case should not
17 be allowed while this Court’s jurisdiction is still in question and certainly not on an expedited basis.
18 First, as this Court has appreciated, “any discovery is improper if the court lacks jurisdiction.” (D.I.
19 69 at 2.) It would be unfair to subject Syngenta to costly and time-consuming discovery in a case
20 where there is no justiciable case or controversy.

21 Importantly, the patent statute does not allow a party who thinks it might someday infringe a
22 patent to test the patent’s validity in the courts without an actual controversy. Instead, the patent
23 office provides the proper forum for such validity challenges through its reexamination procedures.
24 Thus, Plaintiffs’ unilateral attempts to manufacture a case or controversy through their own actions
25 and statements are improper. As explained in the motion to dismiss, declaratory judgment
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27 ¹ In their response, Plaintiffs rely heavily on their own agreement with Bayer, which
28 allegedly affects the timing of their ability to market clothianidin for use with transgenic crops. (*See*,
e.g., D.I. 72 at 2 n.1.) Yet Plaintiffs do not provide this agreement to Syngenta or the Court.

1 jurisdiction requires more, such as active assertions of infringement by the patent owner. (*See* D.I.
2 42 at 7.) Plaintiffs, however, have not pointed to any assertions of infringement made by Syngenta.
3 Hence, there is a sound basis for Syngenta to challenge jurisdiction and for this Court to allow
4 discovery unrelated to the motion to dismiss only if and when the jurisdictional issues are resolved in
5 Plaintiffs' favor. Any other result would severely harm Syngenta.

6 Plaintiffs attempt to downplay the significant burdens of their requests by stating that
7 Syngenta will soon be obligated to produce all of the requested documents with its initial
8 disclosures. (D.I. 71 at 7.) Not so. Federal Rule of Civil Procedure 26(a)(1)(A)(ii) does not
9 mandate that all documents a party has in its possession related to its claims or defenses be produced
10 fourteen days after the initial case management conference. Rather, as is the case in most litigations,
11 a party can comply with the rule by providing "a description by category and location" of such
12 documents. Fed. R. Civ. P. 26(a)(1)(A)(ii). As the commentary to this rule states, "[Rule 26(a)]
13 does not require production of any documents. Of course, in cases involving few documents a
14 disclosing party may prefer to provide copies of the documents rather than describe them, and the
15 rule is written to afford this option to the disclosing party. If, as will be more typical, only the
16 description is provided, the other parties are expected to obtain the documents desired by proceeding
17 under Rule 34" Fed. R. Civ. P. 26 advisory committee's notes (1993).

18 The local patent rules require a patentee to produce certain patent-related documents ten days
19 after the 26(f) conference, (Patent L.R. 3-2), but this obligation does not apply in a declaratory
20 judgment case until the patentee has asserted a claim of infringement. *See* Patent L.R. 3-5. And
21 here, Syngenta has not yet had to answer the complaint in view of the pending motion to dismiss and
22 has not otherwise accused Plaintiffs of infringing the '469 patent. Plaintiffs are trying to turn the
23 rules upside-down, requiring a defendant-patentee not yet alleging infringement or any defenses—
24 because it is arguing there is no jurisdiction—to provide documents to the declaratory judgment
25 plaintiff regarding the *plaintiffs' claims* of invalidity.

26 Plaintiffs also allege that "Syngenta has had more that 1-1/2 years to become familiar with
27 the issues surrounding the current conflict between the parties" and thus "cannot now credibly claim
28 that it is unfamiliar with the issues or that it needs more time." (D.I. 71 at 8.) Since Syngenta has

1 not charged Plaintiffs with infringement of the '469 patent at any time to this point, there is no basis
2 for Plaintiffs to suggest that Syngenta has been collecting documents in preparation for a
3 hypothetical patent infringement action.

4 If the Court concludes that jurisdiction does exist and discovery should commence, the
5 Federal Rules set forth a fair, orderly procedure for discovery. Circumventing these normal
6 procedures and forcing Syngenta to immediately produce documents responsive to Plaintiffs' broad
7 discovery requests without the Plaintiffs demonstrating a compelling need for immediate discovery
8 would be patently unfair and prejudicial to Syngenta.

9 **2. Plaintiffs' Alleged Need for Expedited Discovery Does Not Offset**
10 **Prejudice to Syngenta**

11 Even considering the reasons Plaintiffs allegedly need expedited discovery that are unrelated
12 to the pending motion to dismiss, Plaintiffs cannot overcome the severe prejudice to Syngenta if
13 ordered to immediately provide broad discovery prior to a determination that this Court has subject
14 matter jurisdiction. Plaintiffs' main argument is that their business interests will be harmed if they
15 are forced to delay the introduction of their clothianidin products pending resolution of this case.
16 (*Id.* at 2.) Because insecticide sales are tied to the planting season, Plaintiffs claim that "[e]ven just a
17 few months delay in discovery . . . can potentially delay the introduction of [its] products for an
18 additional year." (*Id.*)

19 Plaintiffs' arguments are particularly unavailing. Importantly, the '469 patent is a *method*
20 *patent, not a product patent*. Syngenta's '469 patent does not claim the chemical compound
21 clothianidin itself and thus Syngenta cannot prevent Plaintiffs from making or selling clothianidin.
22 Rather, the claims of the '469 patent are directed to a method of controlling pests in transgenic crops
23 by applying clothianidin. (D.I. 71 at Ex. 1, col. 92, claims 1-8.) Substantial non-infringing uses of
24 clothianidin remain available, including applying it to non-transgenic crops. Plaintiffs cannot
25 maintain that the '469 patent somehow prevents them from proceeding with the manufacture and
26 sale of clothianidin for non-infringing uses of the chemical. Indeed, a recent press release
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1 announced that Plaintiffs are already selling clothianidin for use on non-transgenic pears, apples, and
2 grapes. (Durand Decl. at ¶ 14.)²

3 Plaintiffs refer to their plans to launch a product in December 2008 (D.I. 72 at 2), but do not
4 explain how granting expedited discovery will affect their plans. Regardless of whether this Court
5 grants expedited discovery, Plaintiffs should have no reasonable expectation that the issues of
6 whether Plaintiffs' sales of clothianidin will infringe the '469 patent and whether the patent is valid,
7 will be decided in just six months. Discovery, claim construction, summary judgment, and trial
8 certainly will stretch well beyond December of this year. Moreover, Plaintiffs have known about
9 their plans for entering the market for years and only just now requested expedited discovery. There
10 is simply no connection between whether Plaintiffs can enter the market in December 2008 and
11 whether discovery begins two months ahead of the current schedule.

12 Finally, Plaintiffs allege that granting the motion for expedited discovery would "conserv[e]
13 the parties' and the Court's resources." (D.I. 71 at 7.) This is simply not true in the event that this
14 Court lacks subject matter jurisdiction. To truly conserve the Court's and the parties' resources,
15 Syngenta respectfully submits that this Court should first decide the motion to dismiss and then
16 address any discovery issues in the 26(f) conference. Not doing so would force Syngenta to engage
17 in costly discovery without this Court first deciding the threshold issue of subject matter jurisdiction.

18 Because Plaintiffs have not established any need for expedited discovery sufficient to offset
19 the severe harm to Syngenta presented by Plaintiffs' motion and "ha[ve] not made any showing as to
20 why [they] cannot wait to conduct the requested [discovery] through the normal course of
21 discovery," this Court should deny Plaintiffs' motion. *See Magellan Group Inv., LLC v. First*
22 *Indigenous Depository Co.*, No. C 05-01994 JSW, 2005 WL 1629940, at *2 (N.D. Cal. July 8,
23 2005).

24 **D. *Semitoool* Does Not Support Plaintiffs' Position**

25 Contrary to Plaintiffs' arguments, *Semitoool* does not require that this Court allow the
26 requested expedited discovery. 208 F.R.D. 273. In *Semitoool*, the plaintiff requested expedited

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28 ² The declaration of Robert Durand was filed in support of Syngenta's reply in support of its motion to dismiss.

1 discovery related to the operation of the alleged infringing device so it could determine whether any
 2 of its other patents were infringed. *Id.* at 274. The plaintiff argued that expedited discovery would
 3 permit it to amend its complaint sooner and to facilitate its compliance with the local patent rules
 4 requiring disclosure of the asserted claims and their correlation to the allegedly infringing product.
 5 *Id.* at 276. The defendants in *Semitoool* admitted that the requested discovery would “be produced in
 6 the normal course of discovery” and challenged the motion primarily because expedited discovery
 7 would be a “logistical inconvenience.” *Id.* at 276-77. The issue in *Semitoool*, therefore, was
 8 “whether there [was] good cause to provide immediate access to the requested discovery rather than
 9 postponing its ultimate production [to] the normal course of discovery.” *Id.* at 276. After being
 10 “unable to discern any real prejudice to [the d]efendants,” the court granted in part the plaintiff’s
 11 motion for expedited discovery and ordered the defendants to provide limited discovery. *Id.* at 277-
 12 78.

13 Plaintiffs claim that “the facts of this case . . . are even more compelling” for expedited
 14 discovery than those in *Semitoool*. (D.I. 71 at 6.) But Plaintiffs’ position ignores that, unlike the
 15 defendant in *Semitoool*, Syngenta ***has challenged the jurisdiction of this Court*** as set forth in its
 16 motion to dismiss. While the defendant in *Semitoool* admitted that it would inevitably produce the
 17 requested documents in the normal course of the case, Syngenta submits that without subject matter
 18 jurisdiction this case will be dismissed before discovery commences. Accordingly, any expedited
 19 discovery before a finding that this Court has subject matter jurisdiction would severely prejudice
 20 Syngenta.

21 Plaintiffs also quote *Semitoool* for the principle that “good cause [for expedited discovery] is
 22 frequently found in cases involving claims of infringement.” (*Id.* at 5 (emphasis omitted).) But
 23 Plaintiffs misunderstand this statement. Good cause for expedited discovery is often found in
 24 infringement cases because infringement claims necessarily involve irreparable harm ***to the holder***
 25 ***of the intellectual property right***, who “is presumed to suffer irreparable harm as a matter of law
 26 when his right to the exclusive use . . . is invaded.” *See UMG Recordings, Inc. v. Does 1-4*, No. 06-
 27 0652 SBA (EMC), 2006 WL 1343597, at *1, 2006 U.S. Dist. LEXIS 32821, at *4 (N.D. Cal. Mar. 6,

2006). *Semitoool* does not support a finding of good cause for expedited discovery here, because Syngenta, not Plaintiffs, is the holder of the patent right in this case.

E. Any Expedited Discovery Allowed Should Be Limited to Jurisdictional Issues

Should this Court decide that Plaintiffs have shown good cause for expedited discovery—which Syngenta vigorously disputes—or otherwise conclude that discovery limited to jurisdiction would be useful in reaching a decision on jurisdiction, any discovery allowed should be narrowly drawn to the pending motion to dismiss. *See Invitrogen*, 2007 WL 2915058, at *4, 2007 U.S. Dist. LEXIS 74282, at **9-10. In other words, discovery should be limited to whether an actual case or controversy exists here and should not be opened up to discovery on the merits. Such discovery should be mutual, and include discovery provided by Plaintiffs directed to the numerous unsupported and contradictory factual allegations in Plaintiffs’ response to Syngenta’s motion to dismiss and accompanying Moriya declaration. As just one of many examples, Plaintiffs assert that a controversy exists because they are poised to enter the seed treatment market. (D.I. 72 at 13.) Yet Plaintiffs make ambiguous factual assertions regarding their readiness to begin selling clothianidin for seed treatment. For instance, Plaintiffs allege that they have met with potential customers. (*Id.* at 3-4.) But Plaintiffs fail to establish that there is in fact any buyer willing to purchase Plaintiffs’ product who would then use it in a manner that would infringe the ’469 patent. Similarly, Syngenta questions whether Plaintiffs are capable of inducing infringement of the ’469 patent when they seemingly have yet to finalize the formulation of the clothianidin product for use in seed treatment. (*See* D.I. 73 at ¶ 11(i).) Plaintiffs should not object to limited jurisdictional discovery into such questions, as they have agreed to “reciprocate with limited discovery.” (D.I. 71 at 8.)

As a final matter, Syngenta notes that Plaintiffs have not served any discovery requests. For example, Plaintiffs have not provided definitions and instructions with their informal requests and Syngenta has no avenue for raising appropriate objections to the requests made in Plaintiffs’ motion. Therefore, if this Court grants Plaintiffs’ motion for expedited discovery, Syngenta respectfully requests that the Court order Plaintiffs to serve proper discovery requests before the 26(f) conference rather than order discovery responsive to the requests presented in Plaintiffs’ opening brief.

1 **IV. CONCLUSION**

2 For all the foregoing reasons, Syngenta respectfully requests that this Court deny Plaintiffs'
3 motion for expedited discovery.

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5 DATED: June 19, 2008

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